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09/832,603	04/11/2001	Timothy J. Cooney	D-5045	1875

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EXAMINER	
CHARLES, DEBRA F	
ART UNIT	**PAPER NUMBER**
3628	

DATE MAILED: 11/10/2003

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Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/832,603	COONEY ET AL.	
	Examiner	Art Unit	
	Debra F. Charles	3628	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *14 August 2003* .

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-20* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-20* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

11)☐ The proposed drawing correction filed on _____ is: a)☐ approved b)☐ disapproved by the Examiner.

If approved, corrected drawings are required in reply to this Office action.

12)☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

13)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____ .

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

14)☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).

a) ☐ The translation of the foreign language provisional application has been received.

15)☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____ .
4) ☐ Interview Summary (PTO-413) Paper No(s). _____ .
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other:

DETAILED ACTION

Response to Amendment

1. The amendment to the specification has been entered. No new matter is revealed in the amended specification. Claims 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11 have been amended. Claims 12, 13, 14, 15, 16, 17, 18, 19, and 20 have been added.

Response to Arguments

2. Applicant's arguments with respect to claims 1-20 have been considered but are moot in view of the new ground(s) of rejection.

Claim Rejections - 35 USC § 101

3. 35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 13-16 and 18-20 are rejected under 35 U.S.C. 101 because the bodies of the rejected claims do not recite technology, i.e. computer implementation or any other technology. *In re Toma*, 197 USPQ 852 (CCPA 1978). *Ex parte Bownman* 61 USPQ2D 1669.

For a claim to be statutory under 35 USC 101 the following two conditions must be met:

1) In the claim, the practical application of an algorithm or idea results in a useful, concrete, tangible result,

AND

2) The claim provides a limitation in the technological arts that enables a useful, concrete, tangible result.

As to the technology requirement, note MPEP Section IV 2(b). Also note In re Waldbaum, 173USPQ 430 (CCPA 1972) which teaches "useful arts" is synonymous with "technological arts". In Musgrave, 167USPQ 280 (CCPA 1970), In re Johnston, 183USPQ 172 (CCPA 1974), and In re Toma, 197USPQ 852 (CCPA 1978), all teach a technological requirement.

In State Street, "in the technological arts" was never an issue. The invention in the body of the claim must recite technology. If the invention in the body of the claim is not tied to technological art, environment, or machine, the claim is not statutory. Ex parte Bowman 61USPQ2d 1665, 1671 (BD. Pat. App. & Inter. 2001) (Unpublished).

Claim Rejections - 35 USC § 102

4. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

5. Claims 1,8, 13,14, 15, 16, 17,18, 19 and 20 are rejected under 35 U.S.C. 102(b) as being anticipated by Burns et al (U.S. PAT. 5,063,506A).

Re claim 1: Burns et al. discloses using a computerized process that includes databases from which aspects of the cost are capable of being determined, provided lowest cost potential design, lowest cost potential manufacturing practices, lowest cost potential supply chain management techniques, lowest cost potential labor rates, lowest cost potential uptimes and lowest cost potential yields are utilized, can be determined(Abstract, col. 3, lines 1-65, i.e. "the invention has been found to be three times more accurate than conventional architectural and engineering costing techniques" and gets "the most value for the dollar", thus, it is inherently determining what the cost should be effectively revealing the lowest possible cost for the array of parameters, col. 7, lines 60-67,col. 213, lines 55-67,col. 214, lines 60-67),

generating reports from said computerized process that include details of each aspect of the cost(col. 4, lines 5-25,col. 51, lines 40-55, col. 52, lines 1-10, col. 18, lines 65-67);

providing the reports to prospective suppliers of the component or service(col. 2, lines 25-35, i.e. reports provided to suppliers enable suppliers to submit appropriate bids or cost figures for buyer review);

conducting discussions, with the prospective suppliers of the component or service, in an effort to gain concurrence on the fact basis of what the cost of the component, service or process ought to be(col. 16, lines 20-40, i.e. output data used to initiate discussions, allows user to identify requirements and articulate requirements, col. 45, line 59-col. 46, line 40);

conducting fact based discussions, with prospective suppliers of the component or service with whom concurrence on the cost has been reached, in an effort to reach an agreement on a price for the component, service or process based on what the cost of the component, service or process ought to be(col. 16, lines 20-40, i.e. output data used to initiate discussions, allows user to identify requirements and articulate requirements, col. 45, line 59-col. 46, line 40, i.e. contractor and supplier negotiations are inherent in contractor/supplier modification input/output).

Re claim 8: Burns et al. disclose a method of using a computer to develop a factual report used in fact driven discussions with a supplier in an effort to establish what the cost of a part or service ought to be, comprising the steps of:

identifying and quantifying the cost components of a part or step of a process that when totaled, determine what the cost of the part or process ought to be provided the lowest cost potential design, manufacturing practices, supply chain management techniques, labor rates, uptimes and yields(claim 1, col. 20, lines 20-40);

inputting into the computer the cost components that are necessary to determine what the cost ought to be for each component of the part or step of the process totaling the cost components and making necessary calculations for each part or step in a process and recording this as an ought-to-be cost(claim 1, 14);

outputting from the computer program a report that specifies the cost of each part or process and how each component of this cost was established(col. 4, lines 5-25,col. 51, lines 40-55, col. 52, lines 1-10, col. 18, lines 65-67, Fig. 14f, item 482);

utilizing this report in cost driven discussions with a supplier to obtain an agreement with the supplier to provide parts or services at a price that is based on the ought-to-be cost(col. 16, lines 20-40, i.e. output data used to initiate discussions, allows user to identify requirements and articulate requirements, col. 45, line 59-col. 46, line 40, i.e. contractor and supplier negotiations are inherent in contractor/supplier modification input/output).

Re claim 13: Burns et al. disclose a method comprising the steps of:

determining a design for a part(col. 5, lines 15-30);

determining a lowest cost potential for at least two manufacturing factors for manufacturing the part, wherein the at least two manufacturing factors include at least two of: manufacturing practices to manufacture the part, supply chain management techniques to supply the part, labor rates to make the part, up time for equipment utilized to manufacture the part, yields of manufacturing the part, overhead, freight, and equipment utilized to manufacture the part(col. 3, lines 20-65, col. 5, lines 40-67, col. 6, lines 30-50, col. 18, lines 45-65);

combining at least the lowest cost potential for the at least two manufacturing factors, yielding an ought-to-be cost for the part (col. 18, lines 45-65).

Re claim 14: Burns et al. disclose the method of claim 13, further comprising the step of conducting discussions over the ought-to-be cost for the part with one or more prospective suppliers of the part in an effort to reach an agreement a price to

pay a chosen supplier for the part(col. 16, lines 20-40, i.e. output data used to initiate discussions, allows user to identify requirements and articulate requirements, col. 45, line 59-col. 46, line 40, i.e. contractor and supplier negotiations are inherent in contractor/supplier modification input/output).

Re claim 15: Burns et al. disclose method comprising the steps of:

determining a design for a part(col. 5, lines 15-30);

determining a lowest cost potential for at least two of a plurality of manufacturing factors for manufacturing the part, wherein the plurality of manufacturing factors includes: labor rates, material costs, overhead costs, capital costs, fabrication waste rates, uptime for equipment utilized to manufacture the part, and yields of manufacturing the part(col. 3, lines 20-65, col. 5, lines 40-67, col. 6, lines 30-50, col. 18, lines 45-65);

generating an ought-to-be cost for the part from at least the lowest cost potential for the at least two manufacturing factors(col. 18, lines 45-65);

determining a purchase price with at least one supplier while utilizing the ought-to be cost(col. 5, lines 55-67, col. 15, lines 25-50, col. 43, lines 10-35).

Re claim 16: Burns et al. disclose further comprising the steps of modifying the lowest cost potential for at least one of the plurality of manufacturing factors and

generating an updated ought-to-be cost for use in discussions with a supplier(col. 16, lines 20-40, i.e. output data used to initiate discussions, allows user to identify requirements and articulate requirements, col. 45, line 59-col. 46, line 40, i.e. contractor and supplier negotiations are inherent in contractor/supplier modification input/output).

Re claim 17: Burns et al. disclose wherein the steps of determining a lowest cost potential and combining are performed by a computer program(col. 18, line 45-col. 19, line 25).

Re claim 18: Burns et al. disclose a method comprising the steps of:

Identifying and quantifying the lowest cost potential cost components of a part , wherein the cost components include costs related to at least one of material, labor, capital, machining, and overhead(col. 5, lines 30-56, col. 20, lines 5-40,col. 53, lines 1-40);

totaling the lowest cost potential cost components of the part, resulting in an ought-to-be cost for the part(col. 3, lines 30-65, col. 4, lines 30-50, col. 7, lines 55-67);

engaging in cost-driven discussions with a supplier to obtain an agreement with the

supplier to provide parts at a price that is based upon the ought-to-be cost(col. 16, lines 20-40, i.e. output data used to initiate discussions, allows user to

identify requirements and articulate requirements, col. 45, line 59-col. 46, line 40, i.e. contractor and supplier negotiations are inherent in contractor/supplier modification input/output).

Re claim 19: Burns et al. disclose wherein the cost components relate to at least one of a design for the part, manufacturing practices, supply chain management techniques, labor rates, uptimes, and yields(col. 3, lines 30-65, col. 4, lines 30-50, col. 5, lines 15-30, col. 7, lines 55-67).

Re claim 20: Burns et al. disclose further comprising the steps of establishing a database that contains the lowest cost potential cost components a computer program to obtain the ought-to-be cost for the part(Abstract, col. 7, lines 60-67,col. 213, lines 55-67,col. 214, lines 60-67).

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

7. Claims 2-7, 9, 10, 11 and 12 are rejected under 35 U.S.C. 103(a) as being unpatentable over Burns et al. and Dudle et al.(U.S. PAT. 5570291A).

Re claims 2,5, 9 and 12: Burns et al. discloses in a computerized system, a method of determining what the cost of a part or service ought to be, the method comprising:

establishing databases of cost components for producing parts and services that, when totaled, is what the cost of the part ought to be provided the lowest cost potential design, lowest cost potential manufacturing practices, lowest cost potential supply chain management techniques, lowest cost potential labor rates, lowest cost potential uptimes and lowest cost potential yields are followed(Abstract, col. 2, lines 50-67,col. 3, lines 5-26, col. 7, lines 60-67,col. 213, lines 55-67,col. 214, lines 60-67, the entire patent deals with knowledge bases and these are tables in the database with cost components);

providing database interface for the database (claim 1, 14, Fig. 14f, item 481);

establishing a set of computer screens, including input fields into which cost components are capable of being inputted either directly or through menus that display options from said database are capable of being selected, each screen concentrating

on a cost area such as material, labor, capital, manufacturing and overhead(Fig. 1,14f, item 481, claim 1);

totaling the inputted figures and rates for each screen, make any necessary calculations and store the subtotal for each screen and totaling all of said subtotals, yielding a lowest cost potential that is the ought to be cost of the part or service(Fig. 14f, col. 4, lines 5-25, col. 6, lines 10-35).

Burns et al. disclose(s) the claimed invention except that allows remote access by one or more users and wherein the computer system is accessible from a network by authorized users of the network. However, in Abstract, col. 2, lines 4-25 thereof, Dudle et al. disclose(s) remotely communicating with computers from and to corporate offices and sales representatives offices. It would be obvious to one of ordinary skill in the art to modify the invention of Burns et al. based on the teachings of Dudle et al. The motivation to combine these references is remotely accessing computer databases and computer systems is well known as indicated in Dudle et al. and would make the Burns et al. system available to cost estimating personnel worldwide for more effective, consistent cost analysis.

Re claims 3,4,6, 7, 10 and 11:

Burns et al. disclose printing out a report for a screen describing the components of the screen and the inputted amounts and the subtotal for the screen and printing out a report for all screen describing the components of each screen, the inputted amounts for each component, the subtotal for each screen and a total of all screens (col. 4, lines 5-25,col. 51, lines 40-55, col. 52, lines 1-10, col. 18, lines 65-67, Fig. 14f, item 482).

8. As applied to claims 1-20: Nonfunctional descriptive material cannot render nonobvious an invention that would have otherwise been obvious. Cf. In re Gulack, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983) (when descriptive material is not functionally related to the substrate, the descriptive material will not distinguish the invention from the prior art in terms of patentability). Common situations involving nonfunctional descriptive material are:

- a computer-readable storage medium that differs from the prior art solely with respect to nonfunctional descriptive material, such as music or a literary work, encoded on the medium;

- a computer that differs from the prior art solely with respect to nonfunctional descriptive material that cannot alter how the machine functions (i.e., the descriptive material does not reconfigure the computer), or

- a process that differs from the prior art only with respect to nonfunctional descriptive material that cannot alter how the process steps are to be performed to achieve the utility of the invention.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Debra F. Charles whose telephone number is (703) 305-4718. The examiner can normally be reached on 9-5 Monday thru Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung Sough can be reached on (703) 308-0505. The fax phone number for the organization where this application or proceeding is assigned is (703) 872-9306.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 306-5771.

Debra F. Charles

Examiner

Art Unit 3628

dfc

HYUNG SOUGH
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